

Supplementary
Submission
No 8a

**INQUIRY INTO RAIL INFRASTRUCTURE PROJECT
COSTING IN NSW**

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Review of rail costs
General Purpose Committee No. 3

The findings of the attached paper, especially in regard to over design, surely apply to NSW network. I note in Wynyard Station that the overhead electric wire system is be replaced with new wires. However, two catenary wires and two power transfer wires are replacing one wire of each type. It appears the two power transfer wires are hung from the one catenary wire. As these wires are very thick copper wires, the duplication must be very expensive. I would love to see the explanation for this duplication.

The UK report recommends that "promoters study the 'no-frills' tram project in Besançon, France." - This committee should follow suit.

Regards

Peter Egan

Review of UK light rail costs published

21 September 2011

UK: A Department for Transport report into the high costs of light rail projects in the UK was published on September 20. 'Green Light for Light Rail' was commissioned by Transport Minister Norman Baker with the aim of identifying the key cost drivers and what can be done to make light rail more cost-effective and thus more attractive to promoters.

The report draws on work by the National Audit Office, Commons Transport Committee and All-Party Parliamentary Light Rail Group, and evidence from industry lobby group UKTram and project promoters. While some reasons for high costs apply to UK infrastructure projects in general, a number of tram-specific problems are identified.

There is a tendency to 'over-design' because promoters lack internal expertise to select designs which minimise lifecycle costs, or are unable to withstand pressure from consultants and politicians for prestige projects. The lack of specialist tram engineers results in an over-reliance on heavy rail expertise and 'unnecessarily cautious' approaches.

The report says UKTram should assist with sharing expertise through a procurement 'centre of excellence'. The adoption of Germany VDV technical standards is proposed, and is supported by the Office of Rail Regulation. Pooling of maintenance facilities and spares could also save money, with joint ownership of heavy equipment.

The report says further work is required to address utility relocation costs, and DfT is to commence consultation on this subject. At present promoters pay 92.5% of the costs, but UKTram says light rail's share should be reduced to 82% to match road projects. Finding ways of avoiding the perceived need to move utilities would help, possibly by tolerating disruption to light rail services when utility work is required.

DfT is to convene a light rail summit to discuss implantation of the report's findings.

'In the past light rail systems have been seen as expensive and an unaffordable option for local authorities to pursue', said Baker. 'I initiated this review so we can get to the nub of the problem. I now urge all parts of the light rail sector to work together on implementing these recommendations and I look forward to working with them towards these exciting opportunities.'

The report recommends that promoters study the 'no-frills' tram project in Besançon, France. The project was described in the April 2011 issue of *Railway Gazette International*, which subscribers can access in the digital archive.